

Financial Statements

The Authority is responsible for ensuring that financial statements are prepared based on appropriate accounting policies consistently applied and supported by reasonable and prudent judgements and estimates. The financial statements are prepared in accordance with South African Statements of Generally Accepted Accounting Practice, which are in harmony with International Financial Reporting Standards.

Accounting records and internal control

The Authority is responsible for ensuring that adequate accounting records and an effective system of internal control are maintained. To enable the Authority to meet its responsibilities, management maintains a system of internal control designed to provide reasonable assurance, in a cost effective manner, that assets are safeguarded and transactions are performed and recorded in accordance with SAQA policies and procedures.

External auditor

The external auditor is the Auditor-General, who expresses an opinion on the financial statements. His audit is conducted in accordance with Statements of South African Auditing Standards. The audit includes a consideration of the system of internal financial controls and a test of transactions to enable him to report on the fairness of presentation of the operating results, financial position and cash flow of SAQA.

Fair presentation

The financial statements fairly present the state of affairs of SAQA at 31 March 2005, the results of its operations, and cash flow information for the year then ended. These were signed by the Chairperson and the Executive Officer on behalf of the Authority on 15 June 2005.

Risk management

The Authority is responsible for the process of risk management and for establishing risk and control policies and communicating them throughout SAQA.

The Authority, through the Audit Committee, using the internal auditors, ensures that there is an on-going process for identifying, evaluating and managing the significant risks faced by SAQA. This process was in place for the year under review and up to the date of approval of the annual report and financial statements.

There is an effective system of internal control in place to mitigate the significant risks faced by SAQA to an acceptable level. Such a system is designed to manage, rather than eliminate, the risk of failure or to maximise the opportunity to achieve business objectives. This can only provide reasonable, but not absolute, assurance.

There is a documented and tested process in place that will allow SAQA to continue its critical business processes in the event of a disastrous incident impacting on its activities.